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GOVERNMENT OF INDIA
NATIONAL COMMISSION ON LABOUR

INDUSTRIAL RELATIONS SYSTEM
IN THE
U. S. S. R.

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INDUSTRIAL RELATIONS SYSTEM IN THE UNION OF SOVIET SOCIALIST REPUBLICS

The typology of industrial relations system in the USSR is largely determined by three important factors emanating from the political and economic setting in which it operates. First is the formation of a socialist society which replaced private ownership of basic means of production by public. The USSR has built a workers' State in which the interests of labour and management are non-antagonistic and thus eliminated active conflict in industrial relations. Second is the operation of a centrally planned and controlled economy which gives only a limited role to labour and management organisations. ^{Of} late, however, increasing powers are given to local (plant) trade union bodies and also more autonomy is granted to individual enterprises to take decisions on employment, wages and productivity.⁷ The third influence is the existence of a single political party - the Communist Party running the Government as well as organising trade unions.

In this political and economic setting, the Soviet trade unions have a double role to perform. They have to help in carrying out party policy, look after production interests and at the same time assume their traditional role of protecting labour interests.

Trade Unions

The 1963 union statute laying down the constitution of Soviet Trade Unions defines the trade unions as 'mass public non-party organisations' of wage and salary earners 'carrying on all their work under the leadership of the Communist Party'. The constitution lays down that trade unions have a continuously growing 'role and significance as the Leninist school of communism.' The main task assigned to them is "mobilisation of the masses for.....creation of material technical base of communism, struggle for the further strengthening of the economic power and defensive might of the Soviet state, the steady growth of the material welfare and culture of the working people." At the same time trade unions have to fulfil their traditional duty to 'defend the interests of the workers.'^{*}

Structure

The All Union Central Council of Trade Unions (AUCCTU) which derives its authority from the All Union Congress of Trade Unions (AUCTU) is the central organisation of trade unions

^{*}Emily Clark Brown. Soviet Trade Unions and Labour Relations. Massachusetts, Harvard University Press 1966, pp.48-49.

directing all union activities. It holds its preliminary sessions at least twice a year and carries on its work through an elected Presidium and Secretariat. The constitution and rules of trade unions lay down industrial principle for trade union organisation i.e. all persons employed in a factory or establishment belong to one union and each trade union comprises of employees of one branch of the national economy. The national trade unions are governed by their elected central committees. Below them are their elected committees at republic, regional and city levels. Elected at the congresses of trade unions of the republics, Inter Union Republic Councils of Trade Unions, Sovprofs, perform at the republic level functions similar to those of the AUCCTU at the national level. The Sovprofe (trade union councils) covering regions or territories or small republics have become the most important trade union organ since 1957 for organisational direction of local unions. These are elected by delegate conferences of the unions of their regions. The factory, plant or local union committees or a trade union organiser in small enterprises are the elected union organs at the base of the work place. In large undertakings there are in addition shop committees.

Democratic Centralism

The underlying principle of Soviet trade unions structure is democratic centralism. It governs the relationship between different levels of trade union organisation. According to Article 12 of the Constitution and Rules of the Trade Unions in USSR, the democratic centralism means :

- "(a) all trade union bodies from the bottom up are elected by the membership and accountable to them;
- (b) trade union organisations decide all matters of union activity in conformity with the rules of trade unions of the USSR and the decisions of higher union bodies;
- (c) trade union organisations pass their decision by a majority vote of the membership;
- (d) lower trade union bodies are subordinate to higher ones."

Since lower trade unions are subordinate to higher level unions, the decisions taken by the latter have got to be accepted by the lower bodies regardless of their own views on them. None-the-less the leadership of the higher bodies is answerable to lower bodies at the time of next election. This prevents the higher leadership from going very much against the wishes of

lower union bodies. Despite this safeguard risk of excessive centralisation in trade union structure is not entirely eliminated. Such risk had once arisen when the Chairman of the AUCCTU made the following statement at the Sixth Plenary Session of the AUCCTU in 1957.

"The present system of guiding the trade union organisations through central committees has led to excessive centralisation, to petty supervision and regulation of their practical work from above. This impedes the development of initiative and participation of local trade union agencies and primary organisations."*

The principle of democratic centralism, however, brings uniformity of policy and action between different unions and within a union. Union rivalry is no problem in Soviet industrial relations system.

'Democratic centralism' does make provision for regular consultation between the different levels of trade unions and for taking decisions by the rule of majority. Unprincipled leadership can always be banished out from the trade unions by fresh election. However in practice this is not always possible and the trade union structure is not always immune from bureaucratisation.**

The ILO Mission (1959) recorded its impressions of Soviet trade union leadership as follows :

"From its visits to factories and other institutions, it was able to observe that large numbers of union bodies existed and that the officials of these bodies were generally persons of ability and influence. The recent decentralisation of trade union organisation has also brought the leadership much closer to union bodies at the plant level than it has been previously, and from the Mission's contact with union officials at the republican, territorial and regional levels it had the impression that they were fully conscious and responsive to the problems affecting union members."***

* Pravda, 12th June, 1957, as cited in ILO, The Trade Union Situation in the USSR, Geneva, 1960, p. 83

** Ibid, p. 84.

*** ILO, The Trade Union Situation in USSR, op. cit., p. 84.

Union Registration:

Articles 152 and 153 of the Labour Code (1922) laid down that the trade unions should register themselves to an inter-union organisation in order to qualify for the legal status of a trade union enabling them to represent their member workers before various authorities.

'152. The trade unions (industrial unions) organised in accordance with the principles drawn up by the competent congresses of these organisations shall not be liable to registration with state institutions as prescribed for associations and unions in general, but shall be registered with the central federations of unions to which they are affiliated in accordance with the conditions presented by the Union Congresses of Trade Unions.

153. Other associations not registered with central federations of unions under Section 152 shall not be entitled to style themselves trade unions (industrial unions), nor to claim the rights of such unions.'

The All-Russian Congress of Trade Unions renamed in 1923 as USSR Congress of Trade Unions, has been the only congress of trade unions in the USSR. Under the above mentioned provisions of the Labour Code, it decided that the trade unions and their rules must be registered with the AUCCTU, the apex inter-union body in the USSR. The Congress further directed that the rules of each union, besides covering its special features, should conform to the Rules of the Trade Unions of the USSR. Among other things, these rules lay down the principle of industrial unions and single union undertakings.

The Soviet authorities explain this situation as a consequence of certain historical facts of the trade union evolution. The All Russian Congress of Trade Unions which came into existence prior to the enactment of Labour Code 1922 had already got affiliated to it all trade unions on whose behalf it was taking decisions at various meetings and had laid down policy guidelines for its affiliates. The workers themselves chose to form a single unified organisation for their solidarity. The Labour Code 1922, it is stated, merely legalised a situation already existing.* At the same time the Soviet Government

maintain that the trade unions are under no legislative clauses requir
*ILO, The Trade Union Situation in the USSR, op.cit.,
pp. 46-47;

ILO, Trade Union Rights in the USSR. op.cit., p. 38-40.

to be affiliated to the AUCCTU and consequently there is no implicit restriction on formation of other central trade union organisations. The Committee on Freedom of Association appointed by the ILO in 1951 stated in its report (dated 10th November, 1956) on USSR trade unions that it had no information that any other trade union organisations besides AUCCTU ever existed in the USSR. It also mentioned that there were no legislative provisions to be applicable to such unions which meant absence of legal recognition to them.* The ILO Mission which subsequently visited the USSR reported on this issue as follows:

'The Mission was advised that the procedure of registration with the AUCCTU does not imply authorisation. It seems evident, however, that new trade unions could not be set up without the approval of the AUCCTU, or of the USSR Congress of Trade Unions.'**

It may be relevant to mention here that in 1933, the AUCCTU by replacing the Peoples' Commissariat of Labour virtually assumed the functions of a central ministry and the resultant control on trade unions.***

Membership

Membership of union is voluntary and open to all manual and non-manual workers including even the top government officers, professional class, business managers and the newest worker. Students of higher education and vocational and technical courses can also join a union. In 1963 the union-membership was reported to be 68 million. A large union membership in USSR can be explained by the union serviceability to its members both in representing workers interests and fulfilling their needs. In 1963 it was reported that the organisational and administrative expenditure of unions was only 13.5 per cent of all union funds and the rest were spent on welfare and educational activities.£ Union members are given preferential treatment in respect of certain insurance benefits and welfare services. They are given free legal aid and even financial assistance out of union funds.

Union subscription is generally fixed at 1 per cent of wages and salaries. Lower rates are prescribed for those

*ILO, Trade Union Rights in the USSR, op.cit., p.76

**ILO, The Trade Union Situation in the USSR, op.cit., p.48.

***Arvid Brodersen, The Soviet Worker - Labour and Government in Soviet Society, New York. Random House, 1966, p.82.

£Emily Clark Brown, Soviet Trade Unions and Labour Relations op.cit pp 70-71.

earning less than 70 roubles per month.

The rights and obligations of trade union members are elaborately described in the 1963 statute. Members are entitled to free participation in union elections, meetings. They can freely comment upon union activities and administration and suggest improvements. They are obliged to pay their dues regularly and attend union meetings. Union members are expected to increase productivity and help in realisation of planned production targets. They are obliged to maintain discipline and oppose anti-social activities.

Trade Union Functions

The Soviet Trade Unions perform a variety of functions at their different organisational levels. These functions can be classified under the following heads :

Legislative;
Administrative;
Economic;
Education; and Welfare.

Legislative: The AUCCTU participates with the Government in formulation of labour laws. It is said that important labour legislation is drafted by the AUCCTU either fully or in participation with the Government. The 1957 Decree on labour disputes settlement and the 1958 Decree on factory committee rights were drafted by the AUCCTU and approved by the Presidium of Supreme Court. Some-times Decrees are issued jointly by the Council of Ministers and the AUCCTU. The 1958 Decree on production conferences and the 1962 Decree on improving safety measures in enterprises were such joint ventures. More important Decrees such as the Minimum Wages Laws 1956 and 1958 Decree on shorter day and wage revision in heavy industries were issued jointly by three bodies - Central Committee of the Communist Party, Council of Ministers and the AUCCTU.

The Central Committees of the industrial trade unions also participate in formulating laws on labour conditions and new wage systems. They work out safety and sanitation rules in agreement with state committees, regional economic councils or other government agencies. These regulations are binding on the enterprises.

Administrative The administrative functions discharged by the Soviet Trade Unions are in three fields - (i) social insurance; (ii) industrial safety; and (iii) general.

(i). Social Insurance Social insurance for temporary benefits such as sickness, occupational injury, maternity etc. is

administered by trade unions. Authorised under the Decree of the Council of Ministers, the AUCCTU framed detailed rules in February, 1955 for administration of social insurance. The AUCCTU prepares the social insurance budget and fixes the contribution rates for enterprises in different fields. It fixes the amount of temporary insurance benefits. It issues rules to govern the administration of rest houses and sanatoria facilities for workers.

The regional trade union councils-Sovprofs, are in charge of social insurance budgets for their areas covering pensions, temporary disability, pregnancy benefits and temporary assistance to union members. They supervise the union administration of these benefits. They participate in the health activities of local governmental bodies and keep a check on work done in this field. They have their members on pension committees of district soviets which determine the amount due and arrange for payment. Through their representatives at district 'doctor-labour-expert' committees they participate in determining the degree of disability of a beneficiary. Besides this administrative work, the Sovprofs give training in insurance administration and allied jobs to local trade union workers engaged in such work. They organise public councils of active union workers to aid and check the work of all medical institutions. It is noticeable that the unions not only participate in social insurance administration but also keep a check on services and institutions concerned.

As regards the working of the social insurance system in Soviet Russia, reports are made sometimes of unions slackness. The AUCCTU which supervises the Sovprofs work has sometimes criticised the latter for mismanagement of insurance budgets, slackness in collecting contributions from enterprises, excessive disability payments, failure in getting the amounts reimbursed which were paid for disability caused by management's mistake. It is said reports on accidents are not regularly made. Appointment of local insurance agencies, insurance commission and insurance delegates was found to have been neglected by the local unions sometimes. Distribution of passes of sanatoria and rest houses is reported to have lacked in fairness at times.*

*Emily Clark Brown, Soviet Trade Unions and Labour Relations op. cit., p.117.

(ii) Industrial Safety

The AUCCTU is authorised to lay down rules for safety inspection. In this respect central committees of national industrial unions are empowered by the Government to frame binding rules for safety in their industries in agreement with other administrative and governmental bodies. Central Committees supervise the safety inspection carried out by regional and local unions. The major responsibility of enforcement of safety regulations is entrusted to the sovprofs - the regional trade union councils. The administrative bodies have to support their efforts. The State paid technical inspectors are placed under the sovprofs and are assigned inspection work in different industries. The public inspectors elected in the shops and by the commission on labour protection assist the technical inspectors. The staff safety engineers are also expected to report to union officials. Issues of personal responsibility for violation of safety laws can be referred to the administration and the courts by the inspectors and sovprofs. Such violations are punishable under the criminal code with fine, discharge or imprisonment.

In practice sometimes the inspectors fail to mobilise adequate support and their demands are not heard. Powers of the inspectors are also not clearly defined. There are reports of sometimes of total disregard of safety regulations and commissioning of new plants without requisite safety provisions and approval of safety inspectors. The 1962 Decree on improving labour protection authorised the unions for advance inspection of new enterprises plans before they were put into operation.*

(iii) General

In addition to the administration of social insurance and industrial safety programmes, the trade unions have some general administrative work. The AUCCTU is entitled to receive reports from all governments and administrative agencies. It shares Government's decisions regarding enforcement and administration of labour laws. The Central Committees of national industrial unions and the sovprofs are also authorised to hear reports of administrative agencies and suggest improvements.

Economic

In the economic sphere the trade unions participate in drawing the national plans and production plans of their enterprise. Unions from the top to the enterprise level are entitled to be consulted by the planning authorities. Their views on labour are to be given due weight. The sovprofs are expected to

*Emily Clark Brown, Soviet Trade Unions and Labour Relations, op. cit., pp. 120.121.

check economic plans of the enterprises before they are accepted by the central planning authorities. The sovprofs are in particular concerned with decisions on allocations for plant building, improvement in working conditions and welfare amenities for working class - housing, nurseries, play-gardens, medical facilities and cultural and recreational institutions. The sovprofs are entrusted with a major responsibility in regard to promotion of production work of the enterprises, which is to receive top priority in their activities. They organise social competition between enterprises to stimulate production efforts of the workers. The production results are quarterly appraised.

Despite unions top concern with production and planning efforts and their right to be consulted by the planners, it is complained that often their role is under-emphasised by the planning officials and regional economic councils. Sometimes the union officials are also found to be lacking in initiative and persistence in their demands. The relationship of the unions with planners is found to be weak and ineffective on many occasions. Both the planning agencies and union officials are criticised in turn by the AUCCTU Chairman for their inconsequential relationship.*

Though wages are fixed by special government machinery at the national level, trade unions participation is notable in implementing the prefixed wage schedules. The Central Committees of the national industrial unions help wage decisions by undertaking analysis of the issues involved. They assist in preparation of job evaluation hand books by the State Committee. They help in working out production and time norms for different production processes and work for this purpose in association with Institute of Labour and Research Organisations. It is said that these Committees participated in the analysis for their industries which was required for reduction of working hours and introduction of new wage systems during 1956-1962.

The regional trade union councils sovprofs participate with the regional economic councils - Sovnarkhoz in implementing the predetermined wage schedules and working out production norms. Under the direction of central committees of national industrial unions, the sovprofs work with the plant unions in classifying jobs and workers in accordance with the job evaluation hand books. They keep a check that proper rates and wage schedules are used and production norms are revised with the improved

*Emily Clark Brown, Soviet Trade Unions and Labour Relations op. cit., p. 117.

production methods. The AUCCTU keep a watch on implementation of wage systems in different regions and points out mistakes if any particularly in regard to production norm setting.

At the enterprise level, the local unions are given the right to participate in the production planning of the enterprise. They conduct workers meetings and organise production conferences and socialist competition in collaboration with the management.

Education and Welfare

The AUCCTU has got its Departments to deal with organisational instruction work, housing and living conditions. The AUCCTU provides courses in industrial safety through its six scientific institutes on protection of labour in big industrial centres. The sovprofs play a major role in organising various sports; physical training and recreation and cultural programmes. They arrange for large scale tourism for workers. The sovprofs have to ensure that necessary preparations for childrens' summer vacations are made by the local union committees and the enterprise. The educational, cultural and recreational activities of the sovprofs are supervised by the AUCCTU. At the enterprise level the local unions organise various cultural, educational, sports activities, the cost of these activities is borne by the enterprise.

Party Role in Trade Union Work.

It is noticeable that though engaged in a wide range of activities for the service of their members, the trade unions are not independent in chalking out their programmes. The preamble to the constitution of the trade unions in USSR as mentioned earlier makes no secret of party guidance for unions. The trade union activities have to be planned within the framework of the policy decided at the governmental level. The following observation made on the basis of evidence available in the reports of some of the congresses of the national unions is noticeable in this regard:

'Control of basic policy by the party and the CCTU was seen in the prompt change of union statutes on orders from above. Former officers were in most cases re-elected, despite the new policies on elections and other severe criticisms by delegates. The unions were deeply involved in carrying out the economic and social plans of the party. At the same time there was concern for workers' welfare, as shown by criticism of government agencies, managements and union officers and organs and demands for improvements in working conditions and services. How often issues of wage levels were raised is not known. But more persistence and militance in general by central and local officers in protecting

the workers' interests were demanded.'

"..... The national unions lack power to bargain and they are not independent organs in developing programmes. Yet the evidence available suggests that workers have become more articulate in expressing dissatisfactions and in pushing their national union bodies to greater activity and persistence."*

The guiding role of the party was admitted before the ILO Mission to USSR in 1959 by all trade union officials. They, however, explained that the party did not interfere with trade union work at the plant level. The mission came to know that in the larger plants visited by it about 10% of the workers belonged to party organisation. Party guidance is given to the union through such workers who are usually included in the leadership. As being workers themselves, these leaders do have sympathy for workers, but within the limits set by the interests of the Party/State which are supreme to them. The ILO Mission described the role of the party in trade union affairs as follows:

"In the day-to-day work of the trade union, Party members, while bearing the over-all policy of the Party in mind, encourage the trade union to plan and develop its activities as a body whose interests are those of its members. These activities cover a wide range of functions such as social insurance, welfare, and industrial safety. The Party organisation at the plant level sees to it that the unions play their part in ensuring that the production targets of the plant are reached and that the economic plans of the State are fulfilled. This is in fact the most important responsibility of this body, for which it is answerable to the higher Party bodies.**

The Party resolution on trade union work adopted on 17th December, 1957 described the points of party interest in trade unions as follows:

"The Party Central Committee plenary session instructs the Central Committee of the Union Republic Communist parties, the territory, province, city and district party committees of the primary party organisations to improve, guidance of trade union organisations, concern themselves above all with the advancement and training

*Emily Clark Brown, Soviet Trade Unions and Labour Relations op. cit., p. 403.

**I.L.O. The Trade Union Situation in the USSR Geneva, 1960, p. 87.

of trade union personnel, to recommend for responsible posts in trade union bodies the best, most highly trained workers, those who have organisational capacities and enjoy prestige both among Communists and non-party people."*

Industrial Discipline and Comrades' Courts:

To deal with anti-social activities and promote discipline in society, the Soviet legislation provides for constitution of comrades' courts in undertakings, institution organisations and certain educational institutions by decision of a general meeting of the wage and salary earners or students. In industrial undertakings, these courts act as internal bodies for promotion of industrial discipline. Comrades' Courts enjoy the confidence of the community and are answerable to it. These are elected by open vote for a period of one year. Their election is conducted by the factory, works or local trade union committee, they examine cases on recommendation of the factory, works or local trade union committee and other executive bodies of the organisation concerned, and work under their direction. The technical services required by these Courts are to be provided by the management of the undertakings concerned.

Comrades' Courts examine among other offences, labour cases involving 'breaches of labour discipline (including absence from work without a valid reason, late arrival, departure before the stipulated time, the unsatisfactory performance of work and the causing of stoppages through an irresponsible attitude towards one's obligations), failure to observe occupational safety rules and other rules for the protection of labour (except in cases where criminal liability is incurred) and damage to property, tools or materials through carelessness.**

Comrades' Courts are not empowered to deal with cases on which judicial decisions are already given. Penalties imposed by the Comrades' Courts are such as public apology, friendly warning, public reprimand, job demotion with the consent of the head of the organisation, a maximum compensation of 50 roubles for any damage caused by unlawful acts. In cases of sincere confession of the offence, public apology and voluntary payment of compensation for damages, the Court does not impose any penalty and closes the case after public examination.

A Comrades' Court has to examine a case within 15 days of the date of its reference. The decision of the Court is to be

*I.L.O. The Trade Union Situation in the USSR Geneva, 1960, P.87.

**ILO 'Legislative Series' March-April, 1962, Union of Soviet Socialist Republics (Russian Soviet Federative Socialist Republic), Labour Courts, pp. 2-3.

taken by majority vote of the members examining the case and is final. If, however, it is factually or legally perverse, can be re-examined by the Court on the request of the factory, works or local trade union committee etc. The implementation of the Court decision is time bound failing which enforcement has to be through a writ of execution issued by the Court's President and to be administered by a court bailiff. A comrades' court, if necessary, can pass a case to other district or municipal peoples' court.

Collective Contracts

A collective contract under the Labour Code can be negotiated by a trade union duly registered under the Code (Sections 152 and 153) laying down conditions of work and employment in respect of an individual undertaking and specifying the contents of future individual contracts of employment. It is applicable to all the workmen of an undertaking including non-member workers. A collective contracts can be negotiated both at industry or undertaking level. In case there exists an industrial collective contract, a local collective contract can be negotiated within the scope set by the former. Every collective contract is to be registered by the representative of the Peoples' Labour Commissariat (now AUCCTU) who is authorised to annul any of the terms that are less favourable to workers than those laid down under law. A collective contract remains in operation even when an undertaking is reorganised or its ownership is changed, unless a 12-days notice of change is given by either party. The assessment and disputes committees supervise the implementation of the contract.

In case of a dead lock in negotiating a collective contract, the matter is to be referred to the higher union body and administrative body who decide the dispute. If they fail to reach an agreement, the decision of the administrative body prevails. Strikes have no place in the Soviet system.

Contract of employment:

The Labour Code lays down that a worker has to sign a contract of employment with his employer which would embody the terms of employment even if a collective contract has already been signed. The terms of contract of employment if less favourable than those under law or a collective contract shall not be effective.

Termination of a contract :

An indefinite period contract can be terminated by a worker after giving a day's prior notice if he is a daily

paid worker or on a week's prior notice if he is fortnightly or monthly paid. An employer can terminate a contract in cases of entire or partial closure, suspension of work for more than a month for reasons industrial in nature, employee's unfitness for work, employee's persistent failure in fulfilling his duties, criminal offence connected with an employee's work etc. In case of employee's unfitness, a contract can be terminated only on the decision of an assessment and disputes committee. It is noteworthy that in case of persistent neglect of duties while an employer in a State institution/undertaking, co-operative or other public organisation is free to take an independent decision, employer in other undertakings and institution has to act in accordance with the decision of an assessment and disputes committee. Members of a works committee, factory committee and the like bodies can be discharged only with the permission of the concerned industrial union. An employer is obliged to give twelve working days' prior notice of contract termination on account of closure, suspension of work or employee's unfitness for work. Every contract of employment is terminable on the demand of the trade union. If an employer does not agree with the claims of the union, an appeal can be filed as provided under the dispute procedure.

Rules of employment :

The Labour Code requires an undertaking employing more than five persons to frame rules of employment in conformity with the labour legislation and collective contract. It provides for formulation of model rules of employment by the State labour authority in agreement with the AUCOFU and the concerned ministry (Peoples' Commissariat). Rules of employment in an undertaking are to be framed in agreement, between the management and the concerned trade union's local branch. These are to be approved by the labour inspector, whose decision can be appealed in the local labour department. Rules in undertakings of special natural importance and groups of inter-dependent undertakings are to be framed centrally in agreement with the central committee of the trade union concerned and the management and are to be approved by the central labour ministry.

Labour Disputes Settlement

For settlement of industrial disputes arising out of the establishment and application of conditions of employment laid down by law, collective contract, contract of employment and rules of employment, the Russian Labour Code makes provision for the following industrial authorities:

1. Assessment and disputes committees : These are constituted of equal number of representatives of employer and the factory committee. The assessment committees are to deal with disputes which by law are to be referred to them and any other dispute arising of implementation of a law, collective contract, contract of employment and rules of employment which the worker wants them to settle. The settlement by this body has necessarily to be in terms of agreement between the two sides representatives. They are not entitled to make awards amending or rescinding any of the provisions of a collective contract unless so authorised by a contract.

Conciliation Boards and Arbitration Courts.

These are to be appointed in each case by a special agreement between the trade union and the employer concerned under the Central Labour Ministry and the local labour authority. In case of a dispute with a State undertaking an arbitration court may be set up by the labour authority on application of one of the parties. A compulsory court shall not be appointed to deal with disputes relating to revision of a collective contract before the date of its expiry. They are constituted of representatives of the parties authorised to settle the dispute, and one representative each of the two parties to the dispute; the appropriate labour authority nominates the chairman of a conciliation board. The chairman of an arbitration court is to be selected by the parties or nominated by the labour authority if so desired by both the parties or one of the parties in case of a compulsory arbitration court.

The conciliation board and arbitration court are to deal with disputes regarding conclusion amendment and interpretation of collective contracts. They are also authorised to deal with disputes arising out laying down of new conditions of employment, in respect of which an agreement could not be reached at an assessment and disputes committee.

An award of conciliation boards is to be adopted only by agreement between the parties while that of an arbitration court can be adopted by the chairman failing agreement between the parties.

Nature of an award:

Award of an assessment and disputes committee/
conciliation board/arbitration court shall be final and

shall not be open to review on a matter of fact. An award can be quashed by a labour authority in exercise of its supervision as permitted under special regulations.

In case of failure to implement an award, it is to be compulsorily enforced under regulations issued by the Central labour authority and Peoples' Commissariat of Justice of the R.S.F.S.R.

Peoples' Court for Industrial and Labour Cases:

These courts are governed by the rules of the Judicial Procedure Regulations of the R.S.F.S.R. and Civil Procedure Code of the R.S.F.S.R. The People's Court are authorised to deal with disputes arising out of implementation of labour laws, collective contract, contract of employment and rules of employment. Disputes which under law are to be submitted to assessment and disputes committee are not to be referred to People's Court unless the former failed to reach an agreement or its award was quashed by a labour authority. Cases of contravention of labour laws or collective contracts requiring criminal proceedings are to be dealt with by the People's Courts.

Role of the Procurator:

The procurator, a legal officer of the State is authorised to intervene on his own initiative at any stage of grievance handling in order to protect the interests of a worker or the State.

Collective disputes:

It is said the machinery described above deals mostly with individual grievances over established rights. Collective disputes between union committees and the director are settled directly by agreement between the two parties or by appeal to next higher union bodies or administrative committees. No statutory method is provided to settle such disputes in the event of a disagreement at this level.

It is not known to what extent disputes between directors and factory committees are settled at the regional level. As the legislation does not confer well defined legal rights on the regional sovprofs or other higher union organisations in settling collective disputes, it is said in case of disagreement the administrative and governmental agencies have the upper hand in determining the issues. The most frequent issue of such disputes is violation of workers well-defined individual as well as collective rights. Procedure of settling such disputes is standardised both in law and practice. These disputes are settled through public criticisms, discussions in workers' meetings,

factory committees, inspections of union public instructors and commissions, pressures brought on the administrative agencies through appeals to the regional union committees and sovprofs. Appeals can be filed with the higher union officers in the central committees or the AUCCTU and party committees. Sovprofs, their technical inspectors, and procurators (state legal officers) are legally empowered to enforce the decisions reached in such disputes.

There is evidence that the factory committees in past remained much occupied with production interests and failed to protect workers' interests and were not strict in enforcing labour laws. With the enlargement of local union rights in 1958, the local union malpractices and laxity in law enforcement could not altogether be eliminated. Soviet experts and union leaders however believe that violations are exceptions new and a large number of published reports on such violations are indicative of workers' awareness of their rights.*

The official concern for such violations is discernible from the following account of the penalties inflicted on those found guilty including union committee officers:

"Reports collected from the union press from 1959 through 1963 on penalties resulting from violations of rights included discharge of directors in forty-eight cases reprimands or warnings to fifty-three others; removal of thirteen other management personnel and reprimands or warnings to nineteen. In ten reported cases violators were brought to court in criminal actions; party penalties on directors or others were reported in twenty-eight instances. Union committee officers were removed by decisions of higher trade union bodies in fourteen cases and reprimands were given in another twenty-five; in some reported cases, also, union officers were not re-elected..."*

Working of the Disputes Settlement Machinery.

In actual practice, it is said, emphasis is on prompt and on the spot settlement of disputes without resorting to appeals to higher agencies.

'Emphasis is on settlement promptly and as close as possible to the source of the dispute. The union committee

*Emily Clark Brown, Soviet Trade Unions and Labour Relations, op.cit., pp. 220-222.

does not accept a grievance for the commission on labour disputes until after the worker has tried to get satisfaction from management. Often the chairman of the factory or shop committee discusses the matter with the foreman or other management person and settles the case informally..... It is said that the great majority of decisions are accepted and put into effect without appeal, at each level, so that decreasing numbers reach the plant commissions on labour disputes, the factory committees, and the Peoples' Courts'.*

The working of the disputes settlement system provided under the Act of 1957 is described to be speedy and straight avoiding unnecessary complications. Number of cases referred to Courts is reported to have sharply declined as follows:

'In Moscow Courts from 1954 to 1959, the number of labour cases decreased by over 71 per cent; dismissal cases by 54 per cent, wage claims by 79 per cent, and all other labour cases by 90 per cent. In the Donetz region, labour cases in the courts in 1962 were only half the number in 1956. An officer of the USSR Supreme Court reported early in 1965 that for the entire country, in comparison with 1956, the number of wage cases reviewed in the courts had decreased by three-fourths, other labour disputes by four-fifths and discharge disputes by one-third. The workers' complaints had been satisfied in a large majority of the 1963 cases, in 53 per cent of the complaints of illegal discharges, 70 per cent of the wage cases and 73 per cent in other cases.'

Relatively few complaints on the work of the labour disputes commissions appear in the press, in contrast to many on illegal discharges and violations of safety and other regulations. The great majority of disputes that earlier had reached the Courts are now settled in the plants. Nevertheless, one expert warned against underestimating the role of the Courts, which continue to be a dependable instrument for the protection of the labour rights of workers.

The drop in cases going to courts is also accounted by expertise attained by the administrative staff and union leaders in labour law and the efforts of the latter to settle disputes in accordance of the law. The factory committees and regional union organisations have made increased efforts in training both workers and management. It is said managements usually like to settle a case at the disputes commission itself where it has a say rather than allow it going to factory committee.

*Emily Clark Brown, Soviet Trade Unions and Labour Relations Cambridge, Massachusettes, 1966, pp.205-206.

Managements are reluctant to approach the Courts which they believe are pro-labour in their approach.

Right to Strike

Significantly no where in Soviet labour legislation any mention is made of the word 'strike'. It is also not known to what extent strikes occur in Soviet Russia since such strikes reports are not published. State concern for production which is also accepted by the unions has left no place for strikes in Soviet Russia. Also wages and other important work conditions being centrally determined by the State, important issues of labour management differences have been removed from the scene. Besides a number of internal joint bodies are available to prevent and settle disputes whatever may arise on occasions. The Soviet Government made the following policy statement on right to strike in 1955 before the ILO Committee on Freedom of Association :

"A collective stoppage of work is not, and never has been, regarded as absenteeism and Soviet law does not provide, nor has it ever provided, for any penalties to be imposed for a collective stoppage of work, ~~where called~~ by workers in support of their demands.

There is no reason for surprise at the absence of strikes in the Soviet Union, because the workers have every possibility of obtaining satisfaction in other ways - through production meetings and through the governmental and legislative authorities whose membership consists of workers' representatives.*

The ILO Mission which visited the USSR in 1959 to study Soviet trade unions was told by Soviet officials and others with whom it discussed the matter that strikes were not prohibited by law in Soviet Union, but the workers did not have to resort to strikes since the means of production were owned by themselves. In case of failure of management and union factory committee to reach a collective agreement, the dispute is to be finally settled by the regional economic council and regional trade union council. The ILO Mission (1959) reported :

"It should be emphasised in this respect that trade unions work under the guidance of the Party and that the Party groups in all social organisations and state organs and undertakings play an important role in maintaining

*ILO, Trade Union Rights in the U.S.S.R., Geneva, 1959, p. 74.

industrial peace!"*

Soviet authorities believe that since theirs' is a non-antagonistic society, no general conflict between workers and management resulting in strikes or other collective protests is possible. Managers constitute no separate social class but stratum of the working class belonging to the trade unions in common with the workers. The place of strikes in Soviet industrial relations is aptly described by a specialist in Soviet studies as follows :

"According to Soviet Theory, strikes are not only no legitimate, they are by definition inconceivable and cannot happen since the commanding authority against which they would ultimately be aimed - the State itself - is identical with the working class; and for workers to strike against themselves would be nonsensical. (A piece of sophistry, but nevertheless a crucial Soviet doctrine). W. Hofmann quite appropriately refers to the 'isolating function' which the Soviet labour laws and courts perform by insisting that violations and conflicts be treated as individual and isolated cases, never as cases of a more general - class or collective - character."**

Production Incentive Schemes

During the first decade (1945-1955) since the Second World War, the main objective set before the Soviet economy was that of expansion of material resources - increased supply of both consumers and producers goods. As such the central planning authorities laid down production targets for each enterprise. The means of achieving these targets such as wages fund and raw material supply were also fixed. The basic wage fund was calculated on the basis of labour inputs required. The increase in average wages and employment in a plant depended chiefly on increase in wages fund which in turn would increase with the increase in production. This latter relationship was called 'adjustment co-efficient' and to work it out for industries, branches and enterprises was the main problem. During the early period, this co-efficient was more than one in many industries, meaning thereby that 1 per cent increase in production over the fixed targets would increase the wage fund by 2 or 3 per cent. Basic wages of managers, wage earners and salaried employees are fixed on the basis of uniform scales and work norms in accordance with qualifications and functions. Wage premiums forming between 30 and 60 per cent of total earnings of workers

*ILC, The Trade Union Situation in the U.S.S.R., Geneva, 1960, p. 66 -

**Arvid Brodersen, The Soviet Worker - Labour and Government in Soviet Society, op. cit., pp. 81-82.

and managers are linked with the increase in gross production and very recently with saving in production costs. Profit-sharing was the third source of workers earnings. It depended upon the degree of fulfilment of profit plan. The total funds (known as enterprise funds) to be allocated for profit sharing were not to exceed generally 5.5 per cent of the total wage fund. This fund was to be spent in agreement with the administration and the union committee. 20 per cent of it had to be spent on modernisation of equipment, new technology and production expansion, 40 per cent for housing and cultural facilities and the remaining 40 per cent could only be used for individual premiums, aid for individual workers, passes for sanitariums, rest houses. These funds were often criticised as too small to serve as incentives. Complaints were also made on the use of these funds. Housing funds often went unutilised due to unavailability of building material or were diverted for other purposes. The AUCCTU protested such practices and urged the Government to make the enterprise funds better incentives for working. (Thirteenth Congress of Unions, 1963).

With the attainment of high level of production and the elements of a buyers' market creeping in, since 1955, there has been a shift in the economy's objectives from quantitative to qualitative. The incentive system has been accordingly recasted. The performance of an enterprise is to be tested on the basis of quality of production and its marketability. Material stimuli are given more importance in the new incentive system. Also the enterprises are granted much more autonomy. It is understood that the number of centrally fixed targets for the enterprises is reduced to eight from 15 to 25 earlier. The new targets relate to volume of output to be sold, main assortments of goods, wage fund, profits and profitability, payment to the budget and allocations from the budget, volume of centralised investment and its time schedule, introduction of new techniques, raw material deliveries. It is noticeable that in the new list 'gross production index' does not feature anywhere, though all along before it received priority in planning and incentive systems. This major shift is explained by the experience in USSR and other socialist countries with the criterion of gross production index making the enterprise ignore the market situation - nature of demand in vogue and the preferred quality of goods. The volume of goods sold, therefore, replaced the gross production index. The other two important targets laid before the enterprises are profit

and profitability and introduction of new techniques.

In the new incentive system, the material rewards (excluding the basic wage) in an enterprise are linked with the volume of production sold and profits realised. The individual earnings are constituted of (i) basic wage; (ii) premiums for individual performance; (iii) premiums based on the economic performance of the enterprise. Premiums for managers and non-manual workers are mostly to be based upon profits, while those for manual are only partly to be.

As regards the autonomy of enterprises, only total wage fund is centrally fixed in the new scheme and an enterprise is left free to take its decisions on employment, wages and productivity, of course, within the framework of policy, laid down.

In the new incentive systems, it is noticeable that profit is made a decisive criterion for industrial efficiency. Incentive funds are to be based on profit and profitability indices. However, profit in the USSR economy is given different character. The enterprises are not given freedom to make profits through price changes, market speculation, switch over to more profitable goods irrespective of market demand or central directives. Positively speaking profits in Soviet economy depend upon internal factors, such as, better capacity utilisation, reduction in production costs, increase in labour productivity, better production organisation, technical progress.*

The new incentive scheme started in 1966 is to be introduced in phases planned to be completed by the end of 1968. Little is, therefore, known about the working of the new system.

*See M. Kabaj, 'Evolution of the Incentive System in USSR Industry', International Labour Review, ILO, Geneva, Vol.94, No.1, July 1966, pp. 22-38;

Arvid Bodersen, The Soviet Worker - Labour and Government in Soviet Society., op. cit., p.163-166; Emily Clark Brown, Soviet Trade Unions and Labour Relations, op. cit., pp.266-269.

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